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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 16, 2015

Nicolas Lott
American Gilsonite Corporation
29950 South Bonanza Highway
Bonanza, Utah 84008

Subject: Approval of Modified Notice of Intention to Commence Large Mining Operations,
American Gilsonite Corporation, Bonanza Mine, M/047/0010, Uintah County, Utah

Dear Mr. Lott:

The Division of Oil, Gas and Mining has reviewed the referenced modified Notice of Intention to Commence Large Mining Operations (NOI) which was received October 14, 2015. Prior to issuing final approval, please provide the following:

1. Please amend pages 29-30 regarding the seeding application. The seed mix rate does not need to be doubled if disturbed areas are broadcast seeded. Also, do not harrow or rake after broadcast seeding. This tends to flatten or smooth the area, which reduces water retention, and potentially increases erosion and ATV use of reclaimed areas. It is best to broadcast seed immediately after final ripping. Please consider adding Wyoming big sage at a rate of 0.1 pounds/acre pure live seed and forage kochia at a rate of 0.5 pounds/acre to the seed mix.
2. One additional copy of the complete and corrected plan. When final approval is issued, this copy will be stamped "approved" and returned to you for your records;

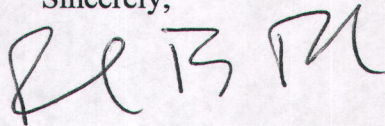
According to the bonding documentation provided in the NOI, the surety held by the Division, the Trust Lands Administration, and Bureau of Land Management totals \$1,396,900.00. This amount is determined to be adequate for the disturbance acreage listed in the permit area.



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Please contact the lead for this project, April Abate at 801-538-5214, if you have questions about the recommended changes to the revegetation plan or other aspects of this letter. Thank you for your cooperation in completing this permitting action.

Sincerely,

A handwritten signature in black ink, appearing to read 'P B Baker', written in a cursive style.

Paul B. Baker
Minerals Program Manager

PBB: aa: eb
cc: Vaughn Hughes, Vernal BLM (vhughes@blm.gov)
Stan Perks, BLM SO (SPerkes@BLM.gov)
Jerry Mansfield, SITLA (jmansfield@utah.gov)
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